DATE: 9-3-2025

Federal Aviation Administration

Infrastructure Investment and Jobs Act (IIJA) Frequently Asked Questions

This document answers frequently asked questions (FAQs) stakeholders may have related to the grant funds available for airports under the Public Law 117-58, Infrastructure Investment and Jobs Act (IIJA).

IIJA includes approximately $25 billion for the National Airspace System.

Approximately $5 billion is for improvements to FAA owned facilities and equipment. FAA's Air Traffic Organization (ATO) will administer these funds.

These FAQs pertain to the approximately $20 billion for airport infrastructure improvements that will be administered by FAA's Office of Airports. The Federal Aviation Administration (FAA) has additional information for airport sponsors at www.faa.gov/iija.

The guidance here is not legally binding in its own right, and FAA will not rely on it as a separate basis for affirmative enforcement action or other administrative penalties. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.

For questions not covered in one of the questions below, please email: 9-ARP-IIJAAirports@faa.gov.

The 9-3-2025 update includes revisions to FAQs: Q3; Q6; Q11; Q13(new); F1: F9; F10; F11; U13; U13; U19; U30; U31; U37; U41; U44, U47, U56; U62; U70; U73; U74, U75 (new), U76 (new), R5 (new), and List of Acronyms (new).

These FAQs will be updated periodically as new questions arise.

Subjects Addressed

General Questions

Q-1: How does the IIJA benefit airports?

A: Title VIII of Division J Public Law 117-58 provides $25 Billion for the National Aerospace System (NAS). Five billion dollars will be administered by FAA's Air Traffic Organization (ATO) for much needed FAA facilities upgrades. FAA's Office of Airports (ARP) will administer the remaining approximately $20 billion in grant funds for airport infrastructure, terminal development, including multimodal terminal development and on-airport rail access projects, and sponsor-owned towers.

Q-2: Where is this funding coming from?

A: The $25 billion comes directly from the U.S. Treasury's General Fund.

Q-3: Are the IIJA funds split into different funding buckets?

A: Yes. Five billion dollars of Facilities and Equipment is being administered by ATO for improvements to FAA-owned facilities. ARP will administer approximately $20 billion of financial assistance funds to airport sponsors. This includes $15 billion of Airport Infrastructure Grants (AIG) and $5 billion for the Airport Terminal Program (ATP). The $20 billion is allocated over five years ($4 billion annually). Of the $20 billion made available for financial assistance, FAA will receive up to $118 million annually for administration of IIJA funds and the Office of Inspector General (OIG) will receive $2 million annually for oversight of IIJA funds.

(1) AIG includes formula allocations (AIG Allocated) and competitive (FAA Contract Tower and AIG Funding Reallocation) funds of up to $14.45 billion.

a) AIG formula allocations-

- Primary Airports share not more than $2.48 billion annually based on enplanement and cargo volume. Nonprimary Airports share not more than $500 million annually, based on airport classification in the National Plan of Integrated Airport System (NPIAS) and the aggregated NPIAS eligible development cost for each classification.

b) FAA Contract Tower-

- AIG provides $20 million annually in competitive grants (FAA Contract Tower) for sponsor-owned contract towers participating in the FAA Contract Tower Program and the Contract Tower Cost Share Program (FCT). These funds are available to: construct, repair, improve, rehabilitate, modernize, replace, or relocate an airport control tower; acquire and install air traffic control, communications, and related equipment in an airport control tower; and construct a remote tower certified by the FAA, including acquisition and installation of air traffic control, communications, or related equipment **(to date, there is no FAA-certified**

remote tower technology). Starting in FY 2026, FAA will award FCT competitive grants for up to $100M per year. The FCT competitive grants will consist of AIG funds that remain unobligated at the end fourth fiscal year (FY) of their availability. For more information about unobligated AIG funding, please see Q-9 and F-3 below.

c) AIG Funding Reallocation (AFR) Program-

- In FY 2026, a new competitive grant program will utilize unobligated AIG funds in the final year of availability. Per the statutory text of IIJA, eligible projects include those that reduce airport emissions, reduce noise impact to the surrounding community, reduce dependence on the electrical grid, or provide general benefits to the surrounding community. For more information about AIG funds that remain unobligated at the end fourth FY of their availability, please see Q-9 and F-3 below.

(2) ATP provides approximately $4.85 billion ($970 million annually) in grants, including multi-modal terminal development and on-airport rail access projects. These funds can also be used for projects for relocating, reconstructing, repairing, or improving a sponsor-owned air traffic control tower (ATCT) regardless of staffing.

Q-4: Who is eligible to receive AIG and ATP funding under IIJA?

A: **AIG Formula Infrastructure Allocations (AIG Allocated):** Funds are available to sponsors of airports as defined in 47102 of Title 49, United States Code (U.S.C.); that is, airport sponsors meeting statutory and policy requirements under this section and identified in the FAA's published NPIAS, updated with current year data, and are eligible to receive discretionary funds per 49 U.S.C. §47115.

FAA Contract Tower Competitive Infrastructure Funds (FCT): Funds are available to sponsors of airports eligible to receive discretionary funds per 49 U.S.C. 47115 and participating in the FCT program under 49 U.S.C. §47124.

AFR: Funds are available to sponsors of airports eligible to receive discretionary funds per 49 U.S.C. §47115.

ATP: Funds are available to sponsors of airports eligible to receive discretionary funds per 49 U.S.C. §47115.

Q-5: Are any airports not eligible to receive funding under IIJA?

A: All airports in the NPIAS, except unclassified airports, are eligible. Unclassified airports are not eligible for discretionary funding under IIJA.

Q-6: Are airport sponsors in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Midway Island eligible for IIJA Grants?

A: **AIG Allocated:** Yes, but they do not receive an allocation. Only sponsors of airports in categories defined in 49 U.S.C. §47102 receive allocations. Airports must be included in the NPIAS to receive an allocation of AIG funds. Airports in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Midway Island are not included in the NPIAS. While these airport sponsors may be eligible for some AIP discretionary funding under 49 U.S.C. 47115, they are not eligible for AIG *Allocated* funds under IIJA~~BIL~~.

FCT: Yes. Funds are available to sponsors of airports eligible to receive discretionary funds per 49 U.S.C. §47115 and participating in the FCT program under 49 U.S.C. §47124. Airports in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Midway Island are eligible for discretionary funds. These sponsors could compete for FCT funding if they are accepted into the FCT program.

AFR: Yes. Funds are available to sponsors of airports eligible to receive discretionary funds per 49 U.S.C. §47115. Airports in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Midway Island are eligible for discretionary funds.

ATP: Yes. Funds are available to sponsors of airports eligible to receive discretionary funds per 49 U.S.C. §47115. Airports in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau, and Midway Island are eligible for discretionary funds.

Q-7: **Are airports in U.S. territories eligible for IIJA Grants?**
A: Yes. Funds are available to sponsors of airports in categories defined in 49 U.S.C. §47102 and identified in the FAA's published NPIAS, updated with current year data, and are eligible to receive discretionary funds per 49 U.S.C. §47115. Airports in U.S. territories (American Samoa, Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and Guam) meet these requirements. They receive AIG Allocation funds based on their information in the NPIAS, can compete for FCT funds if in the FCT program, and can also compete for AFR and ATP funds.

Q-8: **Why do airports with a NPIAS category of Unclassified not receive AIG Allocated funds under IIJA?**
A: Unclassified airports are not eligible for discretionary funds under IIJA (see Q-5). Also, consistent with their role in the national airport system, unclassified airports have no development needs identified in the published NPIAS, updated with current year data.

Q-9: **What is the period of availability for FAA to obligate AIG funds?**
A: Approximately $2.91 billion (approximately $2.89 billion of AIG Allocated funds and $20 million of FCT funds) is available annually starting in FY 2022 through FY 2026. AIG funds that remain unobligated at the end fourth FY of their availability will be recovered and made available for competitive AFR grants in the fifth year. See Q-F3.

FY funds are first made available:	AIG Allocated Funds must be obligated (under grant) by*:	AFR and FCT funds must be obligated (under grant) by:
2022	September 30, 2025	September 30, 2026
2023	September 30, 2026	September 30, 2027
2024	September 30, 2027	September 30, 2028
2025	September 30, 2028	September 30, 2029
2026	September 30, 2029	September 30, 2030

*In order to meet the September 30th obligation deadline, the FAA has established the following annual deadlines:

- May 1 – Deadline to notify FAA of your intent to use AIG funds in their fourth year of availability (e.g. FY2023, May 1, 2026 notification).
- June 30 – Sponsors must submit an application, based on bids, to the FAA for AIG projects that would use AIG funds in their fourth year of availability.
- After June 30 – During the last quarter of the FY, FAA will complete all obligations of AIG funds in their fourth year of availability and start the process of moving these unused AIG funds into the competitive programs (FCT and AFR) per the law. This includes issuing Notices of Intent to Fund for these discretionary programs.

Q-10: What is the period of availability for FAA to obligate ATP funds? How long do sponsors have to get a selected ATP project under grant?

A: Approximately $970 million of ATP funds are available annually starting in FY 2022 through FY 2026. Each FY of funding is available for five years. Funds not obligated (under grant) at the end of the fifth year will expire. This includes any funds recovered after grant closeout.

Each Notice of Funding Opportunity (NOFO) provides a date by which the grant funding must be obligated. This timeliness criteria ensures efficient obligation of ATP funding. The date is applicable to the respective ATP projects selected under that NOFO. Timeliness is a significant factor in selection of ATP projects.

FY funds are first made available:	Funds must be obligated (under grant) by:
2022	September 30, 2026
2023	September 30, 2027
2024	September 30, 2028
2025	September 30, 2029
2026	September 30, 2030

This table represents the period of availability for FAA to obligate ATP funding prior to expiration. Sponsors must get selected projects under grant by the NOFO timeliness date to ensure funding.

Q-11: What is the period of availability for FAA to obligate AFR funds? How long do sponsors have to get a selected AFR project under grant?

AIG allocated funds over $100M that are not obligated after four years will be made available for the AFR. These funds will be available for one year (i.e. the fifth year of original availability) before being returned to the U.S. Department of the Treasury.

This includes any funds recovered after grant closeout.

Each NOFO provides a date by which projects selected for AFR funding must meet all statutory and administrative requirements to be able to receive a grant. This timeliness criteria ensures efficient obligation of AFR funding. Timeliness is a significant factor in selection of AFR projects.

Q-12: Will the Incentive Payment Policy be applicable to IIJA? If so, how?
When finalized, the Incentive Payment Policy, which covers early completion of construction contracts, will be applicable to IIJA in the same fashion as it applies to AIP.

Q-13: Based on the July 2, 2025 Department of Transportation letter, if an active grant contains requirements relating to Executive Order (EOs) as defined by the letter, will FAA enforce compliance with those EOs?
No. In accordance with Secretary Duffy's July 2nd letter, where and as consistent with law, FAA will not enforce compliance with any EO which was issued between January 20, 2021 and January 20, 2025 that references or relates in any way to climate change, "greenhouse gas" emissions, racial equality, gender identity, "diversity, equity, and inclusion" goals, environmental justice, or the Justice 40 Initiative.

Questions on Allocation of Funds

Q-F1: How will IIJA AIG funds be allocated/awarded to airport sponsors?
A: IIJA allocates $14.45 billion into three programs - AIG Allocated, FCT, and AFR. AIG Allocated funds are specific, annual allocations to each eligible airport. These amounts are allocated separately for primary and nonprimary airports. FCT and AFR funds are awarded annually through a competitive NOFO process.

(1) AIG Allocated

There are four components to the AIG Allocation process. The first three components relate to allocating $2.39 billion to primary airports. The fourth component relates to allocating up to $500 million to nonprimary airports.

Component 1: Primary Entitlement – Primary airports are allocated funds based on enplanements using the same step below with a minimum allocation of $1.3M as defined in 49 U.S.C. §47114(c)(1). This is the same methodology used by AIP except there is a minimum allocation and no maximum allocation. Allocations are based on the previous full calendar year (CY) for FY 2025 and FY 2026.

Enplanements	Amount per Enplanement
First 50k	$15.60
Next 50k	$10.40
Next 400k	$5.20
Next 500k	$1.30
Over 1M	$1.00

Component 2: Cargo –NPIAS airports (both primary and nonprimary) with over 25 million pounds of cargo landed weight are allocated 4.0% of primary funding based on the airport's proportion of the national total cargo landed weight. This is the same methodology used by AIP and is defined in 49 U.S.C. §47114(c)(2).

Component 3: Primary Residual – Any remaining funding after primary entitlements and cargo allocations are allocated to primary airports based on the airport's proportion of enplanements. Airports are allocated this funding based on the airport's proportion of enplanements at all qualifying primary airports based on the prior full CY of enplanements.

Component 4: Nonprimary – Nonprimary airports are allocated funding proportionately based on development costs of all airports within that role. All airports with the same role are allocated the same amount. Allocations are rounded up to the nearest $1,000.

(2) FCT

In accordance with the specific FY NOFO, sponsors of airports participating in the FCT program under 49 U.S.C. §47124 are eligible to compete for available FCT funding. Annual FCT funding for FYs 2022-2025 will be no more than $20 million. However, in FYs 2026-2030, the available funding will be for not more than $20-$120 million, depending on the amount of AIG funds that remain unobligated at the end fourth FY of their availability. See Q-F3 for more information.

Instructions for applying for these funds will be outlined in a NOFO, which will be issued annually until the program expires. Projects will be selected by FAA based on sponsor's information submitted in response to the criteria as outlined in the NOFO.

(3) AFR

Sponsors of primary and nonprimary airports eligible for discretionary funding under 49 U.S.C. §47115(a) are eligible to compete for available funding derived from unobligated AIG funding nearing expiration in excess of the $100 million provided to the FCT program as stipulated by law. See Q-F3 for more information.

Instructions for applying for these funds will be outlined in a NOFO, which will be issued annually until the program expires.

Q-F2: How will IIJA ATP funds be awarded to airport sponsors?

A: Sponsors of primary and nonprimary airports eligible for discretionary funding under 49 U.S.C. §47115(a) are eligible to share approximately $970 million annually. Not more than 55% of these funds go to large hub airports, not more than 15% go to medium hub airports, not more than 20% go to small hub airports, and not less than 10% go to nonhub and nonprimary airports. Instructions for applying for these funds will be outlined in a NOFO, which will be issued annually until the program expires. Projects will be selected by FAA based on sponsor's information submitted in response to the criteria as outlined in the NOFO.

Q-F3: **What happens to unobligated IIJA AIG funds?**

A: AIG funds that remain unobligated at the end fourth FY of their availability will be made available for the FCT program and the AFR program. Airport Sponsors must submit applications based on bids for AIG allocation grants by June 30th of the fourth FY for each annual AIG allocation to meet the obligation deadline, as noted in Q-9.

Funds recovered after the fifth FY will return to the General Fund.

Q-F4: **What happens to unobligated IIJA ATP funds?**

A: Funds not obligated at the end of the fifth FY will expire. ATP funds recovered prior to the end of the fifth FY can be used to amend open ATP grants or made available for new ATP grants based on a competitive process. At the end of the fifth FY, any unobligated or recovered funds will return to the General Fund.

Q-F5: **What is the Federal share under IIJA?**

A: **AIG Allocated:** The Federal share is the same as for AIP grants, ranging from 50% to 95%, as outlined in 49 U.S.C. §47109 (for further explanation of the statutory provision, see Section 4-9 of FAA Order 5100.38D, Change 1 (AIP Handbook)). This includes grants using unobligated AIG funds for projects not related to FCTs. See Q-F3.

The 2024 FAA Reauthorization Act provided a time limited change to the Federal share for nonhub or nonprimary airports. For FYs 2025 and 2026, the Federal share for AIG grants to these airports has increased from 90% to 95%.

FCT: The Federal share for FCT improvements is 100%. This includes grants using unobligated AIG funds for FCT projects. See Q-F3.

AFR: The Federal share for AFR projects is the same as those for AIG grants.

ATP: The Federal share for terminal and sponsor-owned ATCT improvements is 80% for large and medium hub airports and 95% for small hub, nonhub, and nonprimary airports.

Q-F6: **Do airport sponsors have to contribute a local match for AIG and ATP grants under the IIJA?**

A: **AIG Allocated:** Yes. The sponsor's match is the same as for the sponsor's AIP grants, ranging from 5% to 50%. This includes grants using unobligated AIG funds for projects not related to FCT. See Q-F3.

FCT: No. The Federal share for FCT improvements is 100%. This includes grants using unobligated AIG funds for FCT projects. See Q-F3.

AFR: Yes. The Federal share for AFR projects is the same as those for AIG grants.

ATP: Yes. The sponsor's match is 20% for large and medium hub airports and 5%

for small hub, nonhub, and nonprimary airports.

Q-F7: **Is the IIJA funding tied to the annual appropriation process?**
A: No. IIJA does not require an annual appropriation. The funding is appropriated and will be available at the beginning of each FY.

Q-F8: **How is the NPIAS airport categorization used to determine IIJA AIG Allocated funds for nonprimary airport sponsors?**
A: Under IIJA, not more than $500 million is allocated annually to nonprimary airports based on the categories published in the NPIAS, updated with current year data. FAA Order 5090.5, Formulation of the NPIAS and ACIP, defines the criteria for each category or role.

Q-F9: **Will FY 2026 AIG Allocated funds for primary and cargo eligible airports vary from FY 2025 allocations?**
A: Yes. AIG allocations are calculated each year based on the prior full calendar year of enplanement and cargo landed weight data. FY 2026 allocations will be based on CY 2024 data. Allocations are based on a hybrid of airports performance and an airports performance relative to other primary airports. Changes in enplanements, cargo landing weight, or relative performance compared to other airports will result in changes in allocation. Additionally, changes in airport classification from primary to non-primary will change an airports allocation.

Q-F10: **How are airports that change from primary to nonprimary status handled in AIG allocation formulas?**
A: Primary airport allocations for FY 2022, FY 2023, and FY 2024 are based on highest enplanements for CY 2018, CY 2019, and previous full CY. An airport that was classified as a primary airport in any of those years is considered a primary airport for the year of allocation. Primary airport allocations for FY25 and FY26 will be based on full prior CY enplanements.

Q-F11: **Will FY 2026 AIG Allocated funds for nonprimary airports vary from FY 2025 allocations?**
A: Allocations for nonprimary airports that do not change NPIAS classification should not vary significantly from FY 2025 to FY 2026. For nonprimary airports, IIJA directs the FAA to use the categories published in the most current NPIAS published in FY2025. The NPIAS is published every other FY with FY 2026 being an off year. In off years, FAA updates categories for airports that are newly opened, closed, changed to and from primary to nonprimary or moved out of unclassified status. No updates are made to development costs or changes to and from categories other than primary/nonprimary, and unclassified role.

Q-F12: **Will nonprimary airports that change from unclassified to classified as the NPIAS is updated with current year data qualify for AIG Allocated funds?**
A: Yes. If the airport's classification changes from unclassified to classified, that airport would be eligible for an allocation the following FY based on the airport's new classification. Similarly, if an airport drops to unclassified, it would lose allocations

the following FY.

Q-F13: Does a nonprimary airport that has unobligated AIG allocations and changes from classified to unclassified lose those funds?

A: No. Unobligated AIG allocations are available until they expire. See Q-9.

Q-F14: Will unobligated AIG Allocated funds be converted to discretionary funding annually?

A: No. The funds are available for obligation until the end of the fourth FY (period of availability). In the fifth FY, unobligated funds are transferred and used for competitive AFR grants. See Q-9 and Q-F3.

Q-F15: Is there a cap limiting the maximum amount of AIG Allocated funds?

A: No. The legislation specifically states that there shall be no maximum apportionment limit under 49 U.S.C. §47114(c)(1)(C)(iii).

Q-F16: Is there a reduction in AIG Allocated funds for medium and large hub airports collecting a Passenger Facility Charge (PFC)?

A: No. The legislation specifically states that these funds are not subject to the reduced apportionments of 49 U.S.C. §47114(f).

Q-F17: Does the "best of" calculation apply to cargo?

A: No. The legislation references section 49 U.S.C. §47114(2), requiring cargo apportionments to be based on prior CY landed weight. There was no "best of" provision for cargo.

Questions on Use of Grant Funding

Q-U1: How can an airport sponsor use IIJA AIG funds?

A: AIG funds under IIJA include AIG Allocated, FCT, and AFR funds. Allowable use of AIG funds is as follows:

(1) AIG Allocated

An airport sponsor may use these funds for airport-related projects defined under 49 U.S.C. §40117(a)(3). AIG Allocated funds cannot be used to pay for debt service. The FAA has used the guidance in the AIP Handbook, as well as Program Guidance Letters (PGLs), as components of PFC eligibility determination under section 40117. The FAA Reauthorization Act of 2024 may establish additional eligible costs. See Q-R3.

(2) FCT

An airport sponsor may use these funds to sustain, construct, repair, improve, rehabilitate, modernize, replace, or relocate a non-approach FCT ATCT, and to acquire and install air traffic control, communications, and related equipment to be used in those ATCT. (For further information on ATCT construction, see Table O-3 *Other Building Project Requirement*

(Other than Terminal), Item h, in the AIP Handbook). For further information on the process to initiate a new tower or a replacement tower project, see FAA Order JO 7210.78 FAA Contract Tower (FCT) New Start and Replacement Tower Process. A current list of eligible equipment is found in Appendix A of Reauthorization Program Guidance Letter (R-PGL) 19-02: Planning and Project Eligibility (the reference in the AIP Handbook is outdated and has been superseded by the R-PGL). The FAA Reauthorization Act of 2024 could create additional eligible costs. See Q-R3. FCT funds can also be used to construct a remote tower certified by the FAA, including acquisition and installation of air traffic control, communications, or related equipment. To date, there is no FAA certified remote tower technology. FCT funds cannot be used to pay for debt service.

(3) AFR

An airport sponsor may use these funds on eligible projects that reduce airport emissions, reduce noise impact to the surrounding community, reduce dependence on the electrical grid, or provide general benefits to the surrounding community. More information about the specific types of eligible projects will be included in the NOFO.

Q-U2: What are the eligible uses of ATP funds?

A: ATP grants under IIJA are awarded competitively and can be used for justified terminal development projects as defined in 49 U.S.C. §47102(28), including multi-modal projects. On-airport rail access projects, as outlined in 86 FR 48793 (PFC Update 75-21), are also eligible. Finally, projects for relocating, reconstructing, repairing, or improving a sponsor-owned ATCT, either staffed by FAA or in the FCT program, are also eligible.

Q-U3: Can IIJA funds be used at an airport that cannot meet FAA design standards?

A: IIJA grants will adhere to Standard Airport Sponsor Assurances, which require airports to meet standards and specifications approved by the FAA, unless a Modification to Standards has been approved by FAA.

Q-U4: What grant obligations will an airport be required to meet by accepting a IIJA grant?

A: Standard Airport Sponsor Assurances will apply to IIJA grants. The grant assurances apply for the useful life of the facilities developed or equipment acquired under the grant, except for exclusive rights, airport revenue, and civil rights, which are perpetual. There is no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with IIJA funds.

Q-U5: Are projects constructed with IIJA funds expected to meet a minimum useful life?

A: Yes. See Section 3-12 of the AIP Handbook on minimum useful life.

Q-U6: Can IIJA funds be used to pay the matching share for AIP grants?

A: No. 49 U.S.C. §40117(a)(3) is referenced in the legislation with respect to project eligibility. IIJA funds are Federal funds from the General Treasury, which require a sponsor match. They are not like PFC funds, which are considered local funds.

Q-U7: Can IIJA matching share be paid using pay as you go PFC funds?
A: Yes. Projects must be included in an approved PFC application. The review and approval of a new application, if one is needed due to an amendment of an approved application, takes a significant amount of time from notification to carriers and the public, to start of PFC collection. Work with your local ADO/RO for additional information.

Q-U8: Will requests to use IIJA funds for projects included in an approved PFC application be considered?
A: Yes. Sponsors must submit an amendment to an approved PFC, which decreases the total collection authority or deletes an approved project, before submitting for payment under an IIJA grant. Sponsors should consult with their local ADO/RO if considering changes to an approved PFC application.

Q-U9: Can IIJA funds be used to pay debt service?
A: No. The legislation does not allow funds to be used for debt service, including the financing cost of bonding.

Q-U10: Do any IIJA funded projects require a Benefit-Cost Analysis (BCA)?
A: No. Title 49 U.S.C. §47115(d) identifies the requirements for a BCA for certain AIP discretionary projects. Section 47115(d) is not referenced in IIJA; therefore, BCAs are not required. Also, a BCA is not required for the installation of weather reporting equipment (AWOS-III or better). Other controls are in place to ensure projects are justified and reasonable.

Q-U11: Can multi-year (MY) grants be issued using IIJA funds?
A: No. IIJA grants cannot include future year allocations. Allocations may change annually. See U-32 and U-33.

Q-U12: Can AIP/IIJA funds be included in a single grant?
A: No. AIP and IIJA funds come from different sources and cannot be integrated into a single grant.

Q-U13: Will AIG and ATP grants include a period of performance (POP)?
A: Yes, the standard is four years, unless otherwise adjusted in the grant agreement.

Q-U14: Are IIJA funds tied to the AIP funding schedule?
A: No. IIJA funds are administered separately throughout the FY.

Q-U15: Can AIG Allocated funds be transferred between airport sponsors?
A: No. AIG Allocated funds are airport sponsor specific funds.

Q-U16: Can an airport sponsor that owns multiple airports transfer AIG Allocated funds between its airports?

A: Yes, with limitations. IIJA specifically limits the amount of funding available for primary and nonprimary airports each fiscal year. IIJA AIG allocated funds are airport sponsor specific funds, which can only be transferred between airports of the same funding type. Primary AIG allocations can only be transferred to an airport that was classified as primary in the year of the allocation. Similarly, nonprimary AIG allocations can only be transferred to an airport that was classified as nonprimary in the year of allocation.

For example: airport A is classified as primary in FY22 and nonprimary in FY23 while airport B is classified as primary in FY22 and FY23. Airport A can transfer FY22 money to airport B in FY 22 but not FY23. These funds can be transferred in any year until they expire.

Q-U17: The IIJA indicates that AIG funds are available for four years and ATP funds are available for five years. How far along must a project be at the end of these obligation periods to not lose IIJA funds?

A: Funds need to be obligated, as outlined under Q-F3 and Q-F4. Any projects under grant must be completed within the period of performance as stated in the grant agreement.

Q-U18: Will design only grants be allowed using AIG Allocated funds?

A: Yes. AIG Allocated funds can be used to fund a design only grant. A design only grant will include a grant condition that the associated development will begin within two years after the design is completed.

Q-U19: Will design only grants be eligible using FCT, AFR, or ATP funds?

A: Yes. Design only grants may not compete as well as those projects that are already designed or part of an alternative project delivery method. Any design only grant will require a realistic funding plan to ensure completion of the project. A design only grant will include a grant condition that the associated development will begin within two years after the design is completed. Please refer to the corresponding NOFO for program rules.

Q-U20: In order to qualify for a grant under the IIJA, must projects be "shovel ready" or is a project still under design eligible?

A: For FCT and ATP, no. As with PFC eligibility, a grant can be for design or environmental review, taking into consideration the normal AIP requirement. Construction grants will be issued based on bids. The annual NOFO for FCT and ATP funds will outline the application and screening process for these funds.

For AFR, given the limited nature of this funding, to achieve the mission of the grant program, all projects must strictly meet the timeliness requirement for grant award as outlined in the NOFO.

Q-U21: What happens to unused IIJA funds if grants are closed with a recovery?

A: AIG Allocated funds recovered before the end of the fourth FY (period of availability) remain available for the airport’s use. FCT and ATP funds recovered before they expire will be returned to a competitive process. Recovered AFR funds are likely to be expired; therefore, those funds will be returned to the U.S. Department of the Treasury. See Q-11, Q-F3 and Q-F4.

Q-U22: How can an airport sponsor use IIJA recovered funds?

A: AIG Allocated funds that have not expired can be either used in a new AIG-allocated grant or amended into an existing AIG-allocated grant for eligible projects as outlined in Q-U23. Recovered FCT and ATP funds that have not expired can be either used in a new competitive grant or amended into an existing grant as outlined in Q-U23.

Q-U23: Can IIJA grants be amended to cover cost overruns?

A: Yes. IIJA grants using AIG Allocated funds can be amended within their four-year period of availability, but only with sponsor's available AIG Allocated funds. Grants funded with AFR, FCT, or ATP funds will be considered by FAA competitively at a national level.

Q-U24: Can IIJA funds be used to reimburse costs previously incurred?

A: For all AIG Allocated funds and funds awarded under the FY 2022 ATP NOFO and the FY 2022 FCT NOFO, FAA will reimburse sponsors for eligible project related costs incurred on or after November 15, 2021, which is the date of enactment of IIJA. These costs are eligible as long as all Federal funding procurement requirements and FAA design and construction standards are met (see the AIP Handbook).

After further legal review, the FY 2023 and future ATP, FCT, and AFR NOFOs will be adjusted to further ensure consistency with other DOT grant programs. Project formulation costs (airport development), incurred after November 15, 2021, are reimbursable. The specific costs eligible for reimbursement are outlined under 49 U.S.C. §47110(c), and further described in Table 3-60 of the AIP Handbook. All other costs must be incurred after grant execution.

The Design-Build alternative procurement method as stipulated by Title 49 U.S.C. §47142 may be used for IIJA grants. This statute specifically allows for cost reimbursement prior to award under certain circumstances. Please note that any reimbursement is allowable only if eligible costs were incurred on or after November 15, 2021.

Q-U25: Can IIJA funds be used to fund future phases of a project that are already under construction?

A: Yes. IIJA funds can be used for eligible costs of future phases of projects incurred on or after November 15, 2021, as long Federal procurement requirements per 2 CFR 200 and FAA design and construction standards are met (see AIP Handbook). See Q-U24 for reimbursement requirements for the FY 2023 and future ATP, FCT, and AFR NOFOs.

Q-U26: Will requests to use competitive IIJA funds for projects with planned AIP discretionary [on FAA's Airports Capital Improvement Plan (ACIP)] be considered?

A: Yes. Priority will not be given to such projects and selection for competitive IIJA funds is not guaranteed. AIP discretionary funded projects that are removed from the FAA's ACIP and not selected for IIJA funding will likely be delayed until funding (AIP, IIJA, PFC, etc.) is available. Replacement AIP discretionary projects will not be considered.

Q-U27: Are AIG Allocated funds required to be used for higher priority projects if the airport is receiving AIP discretionary funds in the same FY?

A: No. AIG Allocated funds have expanded availability for projects considered lower priority under AIP. Airports are still required to meet basic planning guidelines for AIG funds, such as project justification, project consistency with the master plans, appropriate project scope, and project documentation on an approved Airport Layout Plan (ALP). If an ADO has concerns about the types of projects being funded with AIG and an airport's requested discretionary project, then it should reach out to the IIJA Team and APP for further discussions.

Q-U28: Can a Sponsor still request AIP discretionary funds while saving AIG Allocated funds?

A: Yes. AIG Allocated funds have expanded availability for projects considered lower priority under AIP. Airports are still required to meet basic planning guidelines for AIG funds, such as project justification, project consistency with master plans, appropriate project scope, and project documentation on an approved ALP. If an ADO has concerns about the types of projects being funded with AIG and an airport's requested discretionary project, then it should reach out to the IIJA Team and APP for further discussions.

Q-U29: Will airports be expected to use AIG Allocated funds before receiving FCT, AFR, or ATP funds?

A: No. Sponsors can receive an FCT, AFR, or ATP grant while saving AIG Allocated funds for a larger project**.** The use of AIG Allocated funding will be taken into consideration when making FCT, AFR, and ATP funding decisions.

Q-U30: Can alternative project delivery methods be used for projects funded under IIJA?

A: Yes. Section 723(a) of the FAA Reauthorization Act of 2024 (P.L. 118-63) amended 49 U.S.C. §47142 by revising the section heading to "Alternative Project Delivery" instead of "Design-Build Contracting" and expanding the allowable contract types from solely design-build to include progressive design-build and integrated project delivery methods, collectively referred to as "Covered Project Delivery Contracts." See Section 3-43 and Table U-9 of the AIP Handbook. See Q-U24 for more information pertaining to cost reimbursement.

Q-U31: If the sponsor intends on using an alternative project delivery method for procurement, is the sponsor required to have a maximum guaranteed price to receive an FCT or ATP grant?

A: In general, a guaranteed maximum price (GMP) is required to receive a grant when using an alternative project delivery method for procurement. This fulfills the NOFO requirement to meet all statutory and administrative criteria related to timely implementation.

Q-U32: If a project costs more than an airport's annual AIG Allocated funds, can the airport proceed with the project in year one, or will it have to wait until enough funds have accumulated?

A: An airport has options in this scenario. In addition to waiting to accumulate AIG allocations, a sponsor can phase the project so that annual grants can be issued using available IIJA funds, use AIP funds for a defined project phase, or construct the project and request reimbursement with future allocations, at the sponsor's risk.

Q-U33: Can an airport borrow AIG Allocated funds from a future year?

A: No. Funding will not be available ahead of the FY in which it is allocated. AIG allocations can be used for phased projects, saved for up to four years to use on a larger project, or the sponsor can construct a project and request reimbursement with future allocations at the sponsor's risk.

Q-U34: Can AIG Allocated funds be transferred from an airport being replaced to its replacement airport?

A: Yes, provided the replacement airport has been approved by FAA and has an airport identification code assigned.

Q-U35: Can AIG Allocated funds be used to acquire vehicles or ground support equipment equipped with low-emission technology if the airport is located outside of an air quality nonattainment area or maintenance area?

A: No. Title 49 USC §40117(a)(3)(G) (incorporated into IIJA eligibility) requires airports to be located in a nonattainment area or maintenance area for this type of equipment.

Q-U36: Can FCT or ATP funds be used to replace a FAA-owned ATCT with a sponsor-owned FCT?

A: No. FAA-owned ATCT are the responsibility of ATO, not ARP. Use of ARP IIJA funding to replace a FAA-owned ATCT would be supplementing ATO's appropriated funds, which is impermissible.

Q-U37: Is the construction, improvement, or expansion of Customs and Border Patrol (CBP) or United States Department of Agriculture (USDA) inspection facilities as part of a terminal project eligible for IIJA grants?

A: For either AIG Allocated or ATP funds, the shell of the CBP facilities is eligible. The USDA inspection facilities are only eligible for AIG Allocated or ATP funds if they are required in the terminal for screening passengers or their baggage, for example, in Hawaii where all passenger baggage (checked and carry-on) is screened by the USDA.

According to 49 U.S.C. §40117(a)(3)(I), if a Federal agency workspace element must relocate on airport property due to terminal development or renovation, replacing existing workspace elements is considered eligible for AIG Allocated grants. For instance, if renovating an airport terminal requires replacing CBP facilities, those facilities qualify for funding under AIG Allocated or ATP.

Q-U38: Are eligibility calculations required for terminal development grants using AIG Allocated or ATP funds?

A: Yes. Eligibility calculations similar to those done under PFC will be required for AIG Allocated and ATP terminal grants.

Q-U39: Are eligibility calculations required for on-airport rail access grants under ATP?

A: Yes. The process for making eligibility calculations is outlined in PFC Update 75-21 (86 FR 48793, August 31, 2021).

Q-U40: Can ATP funds be used to fund improvements for terminals at nonprimary airports?

A: Yes. Not less than 10% of the annual ATP funding is available for nonhub and nonprimary airports. Instructions for applying for these funds will be outlined in a NOFO, which will be issued annually for FYs 2022-2026. Projects will be selected by FAA based on sponsor's information submitted in response to the criteria as outlined in the NOFO.

Q-U41: Do ATP grants count toward the $30M discretionary cap?

A: No. The $30M cap under 49 U.S.C. §47119(f) only applies to AIP funds and is not incorporated into IIJA legislation.

Q-U42: Are ATP grants for terminal development for nonprimary airports limited to the $200,000 cap?

A: No. The $200,000 cap under 49 U.S.C. §47119(b)(2) only applies to AIP funds and is not incorporated into IIJA legislation.

Q-U43: How will roadway projects that meet the definition of Terminal Development be prioritized for ATP funding?

A: Access roads servicing exclusively airport traffic that leads directly to or from an airport passenger terminal building and walkways that lead directly to or from an airport passenger terminal building are considered terminal development. These projects will be evaluated as terminal development projects as outlined in the annual NOFO. Sponsors should consider use of AIG Allocated funds for eligible, standalone access road improvements.

Q-U44: Can IIJA funded projects include a local hiring preference?

A: The IIJA provides authority to use geographical and economic hiring preferences, including local hiring preferences, for construction jobs, subject to any applicable State and local laws, policies, and procedures. Sponsors and subrecipients may use labor and employment practices described in 2 CFR 200.318(l)(1) if consistent with U.S. law, applicable Federal financial assistance programs, and other requirements of 2 CFR Part 200.

Q-U45: Why must an airport comply with 2 CFR 200 under IIJA?

A: The IIJA grants are federal financial assistance; therefore, the Airport Infrastructure Program and the Airport Terminal Program make Federal Awards to non-Federal entities. These programs are subject to 2 CFR Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR § 200.101). In addition, IIJA requires use of the project grant authority required under 49 USC 47104 which further federalizes the funds.

Q-U46: Do limits for grant amendments apply to IIJA funds?

A: Yes. For consistency across programs, and to reflect what FAA believes to be best practices, AIP amendment limits will apply to IIJA funds. FCT and ATP funds must use like-year funds and are not guaranteed. See Q-U23.

Q-U47: Can IIJA AIG Allocated funds be used on sponsor-owned revenue producing aeronautical support facilities such as fuel farms and hangars?

A: Revenue-producing aeronautical support facilities are defined under 49 U.S.C. §47102(24) as "fuel farms, hangar buildings, self-service credit card aeronautical fueling systems, airplane wash racks, major rehabilitation of a hangar owned by a sponsor, or other aeronautical support facilities that the Secretary determines will **increase the revenue producing ability of the airport**." These types of projects may be funded under AIG at any airport, regardless of size. The AIP statutory "airside needs" test (49 U.S.C. §47110(h)) is not applicable to IIJA projects.

Hangar Projects

Hangar construction and major rehabilitation are generally eligible under IIJA. An airport sponsor may issue a Request for Proposal (RFP) in a competitive offering for all qualified parties to compete for the right to be an on-airport service provider from an AIG-funded hangar. If the sponsor chooses to use an RFP process to select a Fixed Based Operator or other aeronautical service provider, the RFP process must be reasonable and equitable, and the sponsor is encouraged to consider this process each time a new applicant is considered for use of the hangar over the useful life of the facility. However, a sponsor may exclude an incumbent on-airport service provider from responding to an RFP by eliminating the provider from eligibility for the RFP based on the sponsor's desire to increase competition in airport services, in line with FAA Order 5190.6b. Airport sponsors should remember that leasing arrangements for all hangars must comply with 49 U.S.C. §47107 and the Airport Sponsor Assurances.

Fuel Farms

New installation and major rehabilitation of fuel farms are generally eligible under AIG in a manner similar to AIP. To determine eligibility, factors must be evaluated on a case-by-case basis. Those factors include whether the fuel farm currently exists or if this is a new installation, and if the fuel farm currently exists, whether the sponsor can adequately demonstrate anticipated increased revenue as a result of additional Federal investment.

Maintenance and repair of fuel farms are not eligible for AIG funding, consistent with AIP. IIJA's stated goal is to improve the nation's infrastructure, and to be eligible, fuel farm projects must increase revenue production at the airport. Maintenance and repair neither meet that goal nor qualify as eligible. For example:

- the addition of a new fuel tank (increasing capacity) to an existing fuel farm would be **eligible**, with justification, as a new installation;
- the installation of a self-service credit card aeronautical fueling system is **eligible**;
- the addition of a new fuel tank for an alternative fuel type, thus increasing capacity and revenue generation, is **eligible**;
- the upgrade of an existing older fuel tank is generally **ineligible, regardless if the tank is moved above ground, but may be considered eligible** if it increases tank capacity and that increase is supported by future demand and/or other factors demonstrating increased revenue generation;
- the replacement of old fuel tank supply lines would be considered general maintenance and **ineligible**;
- the relocation of a fuel farm, if done due to capacity restraints in the current location and for the purpose of increasing the size of the fuel farm, thus increasing capacity and revenue generation, is **eligible**.

Coordinate with your local ADO/RO for additional guidance.

Q-U48: If using AIG Allocated funds for sponsor-owned revenue producing aeronautical support facilities, does the airside need test apply?

A: No. There is no requirement in IIJA to certify or demonstrate that airside needs within the next three years will be met. Section 49 U.S.C 47110(h), which places limitations on these types of projects, including the airside needs test, does not apply to AIG Allocated funds.

Q-U49: Can AIG Allocated funds be transferred from a primary airport to a nonprimary airport if they have the same sponsor?

A: No. See Q-U16.

Q-U50: Can a sponsor transfer AIG Allocated funds to an unclassified airport in their system?

A: No. Unclassified airports are not eligible to receive IIJA funds. See Q-8.

Q-U51: If an airport transfers its AIG Allocated funds between a primary airport and a nonprimary airport, how is the Federal share calculated?

A: The Federal share of the AIG Allocated grant will be calculated according to the statutory Federal share of the airport receiving the grant offer. See Q-F5.

Q-U52: If an airport banks AIG Allocated funds, is the Federal share based on when the funds were allocated or when the grant is issued?

A: The Federal share of the AIG Allocated grant will be the airport's statutory Federal share for the FY of the grant offer.

Q-U53: Is the Federal share for ATP funds based on the FY the project is announced or the FY when the grant is issued?

A: Due to the different percentages of ATP funds available for large, medium, small, and nonhub/nonprimary airports, the federal share is based on the FY the project is announced by the Secretary through the Notice of Intent to Fund process.

Q-U54: Can IIJA funds be used to acquire and install Explosive Detection System (EDS) machines?

A: Use of AIG Allocated or ATP funds for acquisition and installation of the EDS machines used to screen passenger checked baggage is potentially eligible. The Transportation Security Administration (TSA) must agree in writing that the EDS machines are required, and TSA must provide evidence that they cannot finance them in the near term. Coordinate with your local ADO/RO.

Q-U55: Can IIJA funds be used to construct building modifications necessary to support an EDS?

A: Use of AIG Allocated or ATP funds for building modifications needed to accommodate EDS machines used to screen passenger-checked baggage is eligible. TSA must agree in writing that the proposed space for EDS machines is only that which is needed to meet the minimum space requirement. Coordinate with your local ADO/RO.

Q-U56: Does the provision to use CY 2018, CY 2019, or the most recent CY enplanements apply when determining an airport's hub status for ATP funding?

A: No longer applicable.

Q-U57: When using annual AIG Allocated grants to reimburse a large multi-year project, will each grant require its own specific usable unit of work?

A: No. For phased projects, the grant offer must include a special condition that requires the sponsor to complete a safe, useful, and usable unit of work within a reasonable timeframe. Each grant agreement must specifically describe the work being reimbursed under that grant. Refer to Section 3-21 of the AIP Handbook.

Q-U58: Are airports required to certify that they have all safety and security equipment and access and equipment for passengers boarding or exiting non-air carrier aircraft to receive a IIJA grant for terminal development?

A: No. This requirement under 49 U.S.C. §47119(a)(1)(A) only applies to AIP funds and is not incorporated into IIJA legislation.

Q-U59: Does the requirement for the sponsor to certify that projects affecting safety, security, or capacity, including pavement condition, for projects that include eligible terminal revenue producing areas apply to IIJA?

A: No. This requirement under 49 U.S.C. §47119(a)(2)(B) applies to AIP funds and is not incorporated into IIJA legislation.

Q-U60: Can IIJA AIG Allocated and ATP funds be used for revenue generating parking for vehicles of passengers or delivering of passengers?

A: No. Use of AIG Allocated and ATP funds for revenue generating parking lots (including parking structures or garages) is not eligible for IIJA funding for any size airport.

Q-U61: What is the Build America, Buy America (BABA) Act?

A: Buy American requirements under 49 U.S.C. §50101 and Build America, Buy America requirements in sections 70912(6) and 70914 are incorporated into Public Law 117-58, the Infrastructure Investment and Jobs Act, also known as IIJA. The BABA Act will be required for both IIJA and AIP grants. FAA's Buy American requirements are more restrictive than BABA, but BABA includes more specific requirements for construction materials. More information and implementation guidance will be provided as it becomes available.

Q-U62: Can alternative project delivery methods be used for airside construction?

A: Yes. Section 723(a) of the FAA Reauthorization Act of 2024 (P.L. 118-63) amends 49 U.S.C. §47142 by revising the section heading to "Alternative Project Delivery" instead of "Design-Build Contracting" and expanding the allowable contract types from solely design-build to include progressive design-build and integrated project delivery methods, collectively referred to as "Covered Project Delivery Contracts." See Q-U70. Refer to 2 CFR 200 and Appendix U of the AIP Handbook.

Q-U63: The statute lists achieving Leadership in Energy and Environmental Design (LEED) accreditation standards as one example of improving energy efficiency. Can a similar standard be used?

A: Yes. One goal of ATP is to fund projects that improve energy efficiency. Achieving LEED or similar standards provides a method for measuring a project's impact.

Q-U64: Can engineering or other project formulation costs incurred prior to the enactment of IIJA be reimbursed?

A: No. Costs incurred prior to November 15, 2021 cannot be reimbursed with IIJA funds. The airport must verify that an invoice submitted after November 15, 2021 does not include costs incurred prior to that date.

Q-U65: Can a Reimbursable Agreement (RA) signed or paid prior to enactment of the IIJA be reimbursed?

A: Costs incurred prior to November 15, 2021 (when the work was actually performed) cannot be reimbursed with IIJA funds. If the RA was signed and/or paid prior to that date, IIJA funds can be used, but only for costs incurred after November 15, 2021. See Q-U24 for reimbursement requirements for the FY 2023 and future ATP, FCT, and other IIJA related NOFOs.

Q-U66: Can AIG Allocated funds and ATP funds be combined in a single grant?

A: No. They can be combined to fund a project or phase of a project but must be separate grants.

Q-U67: Are projects that increase energy efficiency of an airport's power sources, such as solar or geo-thermal, eligible for IIJA funding?

A: Yes. If in a nonattainment or maintenance area meeting the criteria for the VALE program, see Q-U35.

For all other airports, AIG Allocated funds can be used to assess the airport's energy requirements in order to identify opportunities to increase energy efficiency at the airport as outlined under 49 U.S.C. §47140(a). AIG Allocated funds can be used for improvements identified in the energy assessment that increase energy efficiency at the airport under 49 U.S.C. §47140(b). Contact your ADO/RO for additional guidance and information pertaining to the required certification as stipulated in 49 U.S.C. §47140(b)(2). In addition, please refer to R-PGL 19-05 for related information.

The AFR will have similar eligibility related to the four project types outlined in the statute.

Q-U68: Is an energy efficiency assessment required for an ATP or AFR project to increase energy efficiency?

A: No. FAA will not require an assessment if the energy efficiency project is in support of the terminal or AFR project.

One of the considerations for ATP projects is to improve energy efficiency, including upgrading environmental systems, upgrading plant facilities, and achieving LEED (or similar) accreditation standards as part of a new terminal construction, expansion, or rehabilitation.

As outlined in the applicable ATP or AFR NOFO, applicants should provide information demonstrating how the proposed project will reduce air pollution and energy consumption through energy-efficient design. Energy efficiency assessments adequately demonstrate such reductions.

Q-U69: Do FAA's AIP or similar contract provisions apply to IIJA funded projects?

A: Yes. The IIJA grants are funded from the General Fund; therefore, the Airport Infrastructure Program and the Airport Terminal Program are both Federal Grant Programs. IIJA-funded projects must comply with FAA's Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects. This includes Disadvantaged Business Enterprise, Davis-Bacon, Civil Rights, Equal Employment Opportunity (EEO), and Veteran's Preference, among other required contract provisions.

Q-U70: What procurement method must be used for alternative project delivery through a covered project delivery contract (Construction Manager at Risk (CMAR), Design-Build (D-B), or single contract of a whole project)?

A:

Section 723(a) of the FAA Reauthorization Act of 2024 (P.L. 118-63) amends 49 U.S.C. §47142 by revising the section heading to "Alternative Project Delivery" instead of "Design-Build Contracting" and expanding the allowable contract types from solely design-build to include progressive design-build and integrated project delivery methods, collectively referred to as "Covered Project Delivery Contracts."

Section 723(a)(3) defines a Covered Project Delivery Contract as: i. an agreement that provides for both design and construction of a project by a contractor through alternative project delivery methods, including CMAR and progressive design build; or ii. a single contract for the delivery of a whole project that—a. includes, at a minimum, the sponsor, builder, and architect-engineer as parties that are subject to the terms of the contract; b. aligns the interests of all the parties to the contract with respect to the project costs and project outcomes; and c. includes processes to ensure transparency and collaboration among all parties to the contract relating to project costs and project outcomes.

Application approval processes for covered project delivery contracts use existing processes for design-build projects, which are defined under 49 U.S.C. §47142(a), and are outlined in the AIP Handbook, Table U-9, and in Advisory Circular (AC) 150/5100-14E, Change 1, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects.

Q-U71: Can a sponsor be reimbursed for sponsor-furnished proprietary equipment and materials (i.e., baggage handling system equipment or steel for a terminal project) that were procured separately for a non-federally funded project?

A: FAA will only reimburse sponsors for eligible project related costs incurred on or after November 15, 2021, which is the date of enactment of IIJA. See Q-U24. Sponsor furnished materials and equipment must be purchased (cost incurred) after IIJA was enacted and follow federal contract provisions, including 2 CFR 200, to be eligible for reimbursement, installation, inspection, and testing. In addition, Buy American and Buy America, Build America must be followed for the costs of the equipment and/or materials to be eligible for reimbursement. See Q-U24 for reimbursement requirements for the FY 2023 and future ATP, FCT, and other IIJA related NOFOs.

Q-U72: If a sponsor has been put in pending noncompliance or noncompliance with AIP grant assurances are they eligible to receive AIG Allocations?

A: All eligible airports will receive an AIG allocation. Sponsors with a Part 16 non-compliance finding by a Director's Determination, Final Agency Decision, or Hearing will not receive an AIG Allocated grant until the compliance finding is resolved. All other sponsors, including those with a Part 13 noncompliance finding, can receive an AIG Allocated grant. However, grants issued to a sponsor with a Part 13 noncompliance finding must contain a special condition requiring Agency approval of a Corrective Action Plan before the sponsor can drawdown funds.

Q-U73: Are costs for construction project signs eligible?

Consistent with Section 11, Paragraph 3-65 of the AIP Handbook, limited construction project sign costs are eligible. Because many project signs at an airport construction site are not required, if the cost of the construction includes at least $200,000 of Federal funds and will be underway for at least three months, then up to $5,000 of the cost for the sign is allowable (it should be noted that a cost/price adjustment was made to account for inflation since the publication of the

AIP Handbook). If the DOT/FAA requests signs to be posted, the Sponsor must require the prime contractor to post these signs following the format specified by the DOT/FAA.

Sponsors must remove signs posted before February 1, 2025.

Q-U74: Can AIG funding be used for electric vehicle/aircraft chargers on the airport?
AIG funding can be used to increase the capacity of an existing fuel farm, with justification, and fund the addition of a new fuel tank for an alternative fuel type. For the purpose of electric vehicle/aircraft chargers, charging stations are considered fuel tanks. Since these are revenue generating projects, Sponsors must provide justification demonstrating how these types of charging stations will increase revenue similar to that of traditional fuel. Work with your local ADO/RO for additional information.

Airport development projects to construct or modify airport facilities to provide low-emission fuel systems and the acquisition of low-emission technology are considered eligible. By extension of the Department of Energy's definition of "low-emission technology", this includes reliance on alternative fuel types such as electric or hydrogen.

Q-U75: Can the programmatic Environmental Assessment (EA) for the ATCT replacement program be used for a replacement tower funded under the FCT program?

The Airport Traffic Control Tower Replacement Program Programmatic EA may be applicable depending on the type and design or the proposed replacement. The Programmatic EA is available to review at https://www.faa.gov/air_traffic/atf under the "Notices" drop down block. Consult with your ADO to ensure the proposed replacement aligns with those considered in the Programmatic EA and to determine the appropriate steps for compliance with NEPA.

Q-U76: For Noise Mitigation projects, does the target property have to be in the DNL 65 decibel (dB) or greater noise contour. If so, how must it be documented?

Yes, properties must be in the DNL 65 dB or greater noise contour unless a lower local standard applies, and Sponsors must have documentation depicting and supporting the non-compatible land uses in the DNL 65 dB or greater noise contours. However, it is important to note that being in certain noise contours is not the only factor considered regarding eligibility for noise mitigation. To receive financial assistance from the FAA for noise mitigation, the Sponsor must be able to meet the following additional requirements:

- Documentation supporting non-compatible land use must be current at the time of funding requests for noise mitigation. This means noise exposure maps (NEMs) prepared pursuant to Title 14 CFR Part 150 or noise contours prepared pursuant to the National Environment Policy Act (NEPA) represent current and future conditions for airport operations and the non-compatible land uses are based on Table 1, Appendix A in 14 CFR Part 150. If such documentation is five years old or older, the Sponsor will be required to provide written validation. If the Sponsor is unable to validate, updated NEMs or noise contours will need to be prepared.

- Noise mitigation is identified in FAA decision documents associated with an analysis prepared pursuant to NEPA or the Sponsor's Noise Compatibility Program prepared pursuant to 14 CFR Part 150.
- All standards and criteria in Appendices C and R of FAA Order 5100.38 are met.

Questions on Grant Application, Payments, and Closeouts

Q-A1: How does an airport apply for an IIJA grant?

A: **AIG Allocated:** Follow AIP process including projects in the CIP, submittal of the SF-424, *Application for Federal Assistance* and other documents as required by FAA Airports Standard Operating Procedure (SOP) 6.00 and the local ADO or RO.

FCT: For projects selected through the competitive process under the annual NOFO, follow AIP process including projects in the CIP, submittal of the SF-424, *Application for Federal Assistance* and other documents as required by FAA Airports SOP 6.00 and the local ADO or RO.

AFR: For projects selected through the competitive process under the annual NOFO, follow AIP process including projects in the CIP, submittal of the SF-424, *Application for Federal Assistance* and other documents as required by FAA Airports SOP 6.00 and the local ADO or RO.

ATP: For projects selected through the competitive process under the annual NOFO, follow AIP process including projects in the CIP, submittal of the SF-424, *Application for Federal Assistance* and other documents as required by FAA Airports SOP 6.00 and the local ADO or RO.

Q-A2: Can a project using a combination of AIP and IIJA funds be included on a single grant application?

A: No. Separate applications are required for each fund type.

Q-A3: How will an airport sponsor submit payment requests?

A: FAA will use the existing DOT Delphi eInvoicing system for payment requests, following FAA's payment policy.

Q-A4: What documentation is required for closing out an IIJA Grant?

A: ADOs will use AIP closeout process per FAA Airports SOP 10.00. After the grant is closed, it remains subject to audit. The airport sponsor must retain grant documentation for three years after the grant is closed as required by 2 CFR 200.334.

Questions related to the State Block Grant Program

Q-SB1: How will IIJA funds be administered to airports covered under the FAA's State Block Grant Program (SBGP)?

A: FAA interprets 49 U.S.C. §47128, State Block Grant Program, as giving direction to provide each State Block Grant participating state program administration responsibilities for grants issued under IIJA. This interpretation is consistent with our long-standing practice. For airports covered under the FAA's SBGP, the FAA will issue block grants to states designated for projects at specific locations. IIJA funds are location specific, similar to AIP discretionary funding. When projects are ready to move forward, location-specific funding will be awarded based on IIJA availability and actual construction bids or negotiated agreement.

Q-SB2: Will the State Block Grant Participating State be provided with *program* administration costs related to IIJA funding?

A: Yes. FAA has provided each of the ten State Block Grant Participating States with funds to support IIJA program administration. Such funding is provided annually and will continue through FY 2026. The parameters regarding the State Block Grant Participating State duties and allowable costs for related program administration are defined in each FY Cooperative Agreement.

Q-SB3: Can the State Block Grant Participating State be reimbursed for *project* administrative costs related to IIJA grants?

A: Yes. The state can charge for project administrative costs that are directly related to administering the eligible project (many are normally done by a consultant or other hired company) such as application preparation, contract management, engineering oversight, bidding, etc. IIJA programs, like AIP, are subject to the requirements of 2 CFR Part 200. See the AIP Handbook for further detail on how FAA applies these requirements in the airport development grant context.

Q-SB4: For those IIJA projects administered under the block grant, who would have the responsibility to complete NEPA?

A: IIJA grants administered under the State Block Grant Program (SBGP) have environmental compliance responsibilities similar to those in AIP. Specific requirements are detailed within each state's SBGP Memorandum of Agreement (MOA). The MOA template is posted at the link below.

https://www.faa.gov/documentLibrary/media/Advisory_Circular/150-5100-21-FAA-MOA-2025.pdf

Q-SB5: What is the State Block Grant state's role in planning for AIG Allocated funded projects?

A: The FAA sent guidance out to states and sponsors early in CY 2022, with specific instructions to start updating state Capital Improvement Program (CIP) submissions.

This information will be used by FAA to update our NPIAS, as well as our three-year Airports Capital Improvement Program (ACIP). State Block Grant states should incorporate the additional AIG specific projects into the state's CIPs. Contact your local ADO for additional details.

Q-SB6: How does the State Block Grant state apply for an AIG grant?

A: The state's application process will mirror the AIP discretionary application process. This includes ensuring projects are shown in state's CIP, the project is on the airport's approved ALP, and submittal of the SF-424, *Application for Federal Assistance* and other documents as required. See Q-A1. When projects are ready to move forward, location-specific funding will be granted based on IIJA availability and actual construction bids or negotiated agreements.

Questions on 2024 FAA Reauthorization Impacts

The FAA Reauthorization Act of 2024 was enacted into law on May 16, 2024 (Public Law No. 118-63). In general, AIG eligibility follows PFC eligibility. Additional changes resulting from the 2024 FAA Reauthorization are forthcoming. These Q&As are mainly limited to certain changes related to AIG allocations and general eligibility.

Q-R1: Did the 2024 FAA Reauthorization impact how AIG allocations are calculated?

A: Yes. The 2024 FAA Reauthorization made changes to both primary and cargo allocations. Beginning with FY25, "the best-of-three" provision is no longer in effect and the minimum primary allocation was increased from $1 million to $1.3 million. In addition, the threshold cargo weight was reduced from 100 million to 25 million pounds of cargo while increasing the allocation of primary funding from 3.5% to 4.0%.

Q-R2: Did the 2024 FAA Reauthorization make any changes to the Federal share?

A: Yes. As discussed in Q-F5 above, the Federal share has been changed for nonhub primary and nonprimary airports for FYs 2025-2026. During this time, the Federal share has increased to 95% for AIG & AFR grants. All other Federal share categories remain unchanged for IIJA.

Q-R3 Does ARP intend to issue Program Guidance Letters (PGLs) regarding the 2024 FAA Reauthorization?

A: Yes. The FAA Reauthorization Act of 2024 directs ARP to issue PGLs to provide for the interim implementation of changes to AIP within one year of enactment of the Act (enacted on May 16, 2024). The FAA has issued all required PGLs which are available at the link below.

https://www.faa.gov/airports/aip/guidance_letters

Q-R4: Did the 2024 Reauthorization provide an exception for secondary runway projects using IIJA funds?

A: Yes. Section 741 states that IIJA funding may be used to extend secondary runways at nonhub or small hub primary airports notwithstanding the level of operational activity that would benefit a longer runway. This applies only to AIG funding.

The criteria for AIP eligibility remain unchanged for both the secondary runway designation and runway length. Therefore, sponsors should proceed with caution if there is not sufficient IIJA funding to complete the project and they cannot meet AIP eligibility requirements. The sponsor will be responsible for completing the project with other non-Federal funding sources. Please work with your ADO/RO to ensure a complete funding plan is in place.

Q-R5 Did the 2024 Reauthorization make any changes to the Federal Share requirement?

A: Yes, under certain circumstances.

For any AIG grant issued to nonhub or nonprimary Sponsors during FYs 2025 or 2026, the Federal Share has changed from 90% to 95%. This change effectively reduces the amount a Sponsor is required to match for a grant. It does not increase the funding provided by FAA.

Any grant amendments through FYs 2025 and 2026 that increase AIP funding without adding project scope will continue to be subject to the initial 90% federal cost share. If there are any significant changes in project scope or new/amended capitals, then the new federal share will apply as the grant scope is changing.

For AFR FY 2026, Sponsors can request 95% of the total eligible project costs in their applications.

ATP and FCT Federal Share remain unchanged at 95%.

List of Acronyms

ADO	Airport District Office
AFR	AIG Funding Reallocation
AIG	Airport Infrastructure Grants
AIP	Airport Improvement Program
ALP	Airport Layout Plan
APP	Office of Airports Planning & Programming
ARP	Office of Airports
ATCT	Air Traffic Control Tower
ATP	Airport Terminal Program
AWOS	Automated Weather Observing System
BABA	Build America Buy America
BCA	Benefit-Cost Analysis
CBP	Customs and Border Protection
CFR	Code of Federal Regulations
CIP	Capital Improvement Plan
CMAR	Construction Manager at Risk
CY	Calendar Year
D-B	Design-Build
DOT	Department of Transportation
EA	Environmental Assessment
EDS	Explosives Detection System
EEO	Equal Employment Opportunity
FAA	Federal Aviation Administration
FAQ	Frequently Asked Questions
FCT	FAA Contract Tower
FY	Fiscal Year
GMP	Guaranteed Maximum Price
IIJA	Infrastructure Investment and Jobs Act
LEED	Leadership in Energy and Environmental Design
MY	Multi-Year
NAS	National Aerospace System
NEPA	National Environment Policy Act
NOFO	Notice of Funding Opportunity
NPIAS	National Plan of Integrated Airport Systems
OIG	Office of the Inspector General
PGL	Program Guidance Letter
PFC	Passenger Facility Charge
RA	Reimbursable Agreement
RFP	Request for Proposals
RO	Regional Office
SBGP	State Block Grant Program
SOP	Standard Operating Procedure
TSA	Transportation Security Administration
USC	United States Code
USDA	United States Department of Agriculture
VALE	Voluntary Airport Low Emissions